

## CHAPTER 3

# FUNDING

In this chapter, we will discuss the various types of funds for which you, as an official mail manager (OMM), will be responsible. We will also discuss the accounting system for prepaid postage, metering systems, and various cost-saving mail services.

### TYPES OF FUNDS

There are three basic types of funds: appropriated (operations and maintenance, Navy [O&M,N]); Nonappropriated funds (NAF); and Navy Working Capital Funds. Operations and maintenance, Navy funds and Navy Working Capital funds are authorized by Congress, whereby nonappropriated funds are obtained from various Department of the Navy (DON) funding.

### APPROPRIATED

Appropriated funds is the money allocated by Congress to the Department of the Navy for the O&M,N fund. Official postage funding is part of the appropriated allocation. Official mailings of host activities for support to tenant activities is authorized from appropriated funds for the following organizations:

- Operations and maintenance, Navy is funded by Navy and Marine Corps tenant activities on a non-reimbursable basis
- Other government agencies (U.S. Army, U.S. Air Force, and so forth) on a reimbursable basis

The only mailings authorized from O&M,N funds for nonappropriated fund activities, such as clubs and recreational services are reports and correspondence concerning regulations or policies administered by the Department of the Navy (DON). Operational mailings, such as advertising matter, may not use appropriated funds.

- Official mailings should be restricted to authorized patrons only.

*Q1. Appropriated funds are appropriated by what legislative branch of the government?*

### NONAPPROPRIATED FUNDS

Nonappropriated funds (NAF) are generated from service fees and other Navy recreation revenue-generating sources. A portion of these funds are then used for official mailings by NAF activities.

Navy exchanges may use Department of Defense (DOD) official intratheater mail for official mailings between overseas exchanges of uniform items that the exchanges are required to carry by the Navy.

Nonappropriated funds are used for operational mailings, such as advertising matter.

Advertising matter may consist of the, following:

- Skeet shoot events
- Golf tournaments
- Required admission fees
- Films for paid exhibition
- Bills mailed to members or customers

### NAVY WORKING CAPITAL FUNDS

Navy Working Capital Funds is money allocated by U.S. Congress to DOD for operational matters. Official postage funding is a portion of this allocation. Official mailings of tenant activities maybe paid for through the Navy Working Capital Funds of the host activity on a reimbursable basis.

*Q2. Navy Working Capital funds may only be used by activities for what type of mailings?*

### ACCOUNTING SYSTEM FOR PREPAID POSTAGE

The command official mail manager (OMM) and at least one alternate will file a Signature Card, DD Form 577 (fig. 3-1), with the serving disbursing officer (DO). The signature card authorizes the OMM to accept checks payable to the applicable postmaster to purchase postage instruments such as envelopes, postage stamps, stamped cards, and so forth.

The OMM and comptroller develops local procedures for the payment of official mail service. These procedures should specify how checks will be delivered to the serving civil or military post office (MPO) and how signed receipts will be given by the postal service for services rendered.

The OMM prepares the Standard Form 1034, Public Voucher for Purchases and Services Other Than Personal, (fig. 3-2), and submits it to the comptroller. This form describes in detail the postal services to be procured.

The disbursing officer (DO) will prepare a Treasury check payable to one of the following postmasters:

Postmaster of applicable local post office

Postal Finance Officer (PFO), San Diego

Accountable Postmaster, New York

The OMM or alternate picks up the Treasury check from the DO, mails or delivers it to the serving post office, and obtains a receipt for it from a USPS representative.

The OMM certifies on the signed post office receipt that the requested service has been received and delivers it to the comptroller.

The comptroller attaches the post office receipt to the retained copy of the SF 1034 to serve as the receiving report.

### ADVANCE DEPOSIT TRUST ACCOUNT (ADTA)

An ADTA may be established at any civil post office to pay the costs for meter settings, permit imprint mailings, Business Reply Mail (BRM), Merchandise Return Service (MRS), Express Mail, and postage due mail.

The establishment/replenishment of different ADTAs can be accomplished on the same SF 1034; however, it must be clearly indicated on Standard Form 1034 the amount that is being deposited for each ADTA.

Advance payments to any ADTA are limited to the anticipated requirement for the current quarter.

The OMM and comptroller reviews all ADTA balances monthly and transfers funds between ADTAs, as necessary, to ensure the effective use of available funds. All transfers of funds between ADTAs are documented on the Journal Voucher, Optional Form 101 7-G, shown in figure 3-3.

1. NAME <i>(Type or print)</i> Jane O. Frost		2. PAY GRADE O-3	3. DATE 22 Apr XX
4. OFFICIAL ADDRESS NAVSTA, NORVA 23511			
5. SIGNATURE			
6. TYPE OF DOCUMENT OR PURPOSE FOR WHICH AUTHORIZED DD Form 114, Military Pay Order			
THE ABOVE IS THE SIGNATURE OF THE AUTHORIZED INDIVIDUAL			
7. NAME AND GRADE OF COMMANDING OFFICER <i>(Type or print)</i> Very C. Pistol, Capt, USN		8. PAY GRADE	
9. SIGNATURE OF COMMANDING OFFICER			
DD Form 577, MAY 88		SIGNATURE CARD	

*Previous edition may  
be used until exhausted*

OMMPC009

Figure 3-1.—Example of Signature Card, DD Form 577.

Standard Form 1034 Revised October 1987 Department of the Army 1 TFM 4-2000		<b>PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL</b>				Voucher No. 593281	
U.S. DEPARTMENT, BUREAU, OR ESTABLISHMENT AND LOCATION  Department of the ARMY Nth Area Finance Support Center APO AE 00098				DATE VOUCHER PREPARED 10/17/XX		SCHEDULE NO.	
				CONTRACT NUMBER AND DATE DA-HC-21-72A2578 8/21/XX			
				REQUISITION NUMBER AND DATE		PAID BY APO AE 00098 DSSN 9000 18 Oct 19XX	
PAYEE'S NAME AND ADDRESS  <div style="border: 1px solid black; padding: 5px; display: inline-block;">           XYZ Electronics, Inc            18 Business Street            Anywhere, U.S.A.         </div>				DATE INVOICE RECEIVED 10/1/XX			
				DISCOUNT TERMS			
				PAYEE'S ACCOUNT NO.			
SHIPPED FROM			TO		WEIGHT	GOVERNMENT B/L NO.	
NUMBER AND DATE OF ORDER	DATE OF DELIVERY OR SERVICE	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary.)	QUANTITY	UNIT PRICE		AMOUNT <sup>1</sup>	
				COST	PER		
61329 8/27/XX	9/25/XX	Analog Digital Convrt.	10	30	ea	300	
42573 8/27/XX	9/25/XX	Transistor	20	5	ea	100	
(Use cont. sheet if necessary) (Payee must NOT use the space below)						TOTAL DM 400	
PAYMENT <input type="checkbox"/> PROVISIONAL <input checked="" type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL <input type="checkbox"/> PROGRESS <input type="checkbox"/> ADVANCE		APPROVED FOR DM 400 = \$200.00  BY <sup>2</sup>  J. R. Frost, LTC, FC  TITLE Disbursing Officer		EXCHANGE RATE DM 2 = \$1.00  DIFFERENCES  Amount verified correct for \$200.00  (Signature or initials)			
Pursuant to authority vested in me, I certify that this voucher is correct and proper for payment.							
(Date)		(Authorized Certifying Officer)			(Title)		
ACCOUNTING CLASSIFICATION							
21*XXXX XX-XXXX PXXX-XX SXX-XXX				200.00			
PAID BY	CHECK NUMBER	ON ACCOUNT OF U.S. TREASURY		CHECK NUMBER	ON (Name of bank)		
	CASH \$	DATE		PAYEE <sup>3</sup>	American Express		
1 When used in foreign currency, insert name of foreign currency. 2 If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the space provided over his/her official title. 3 When a voucher is receipted in the name of a company or corporation, the name of the person writing the company, or corporate name, as well as the capacity in which he/she signs must appear. For example: John Smith, "Secretary or Treasurer", as the case may be.					PER		
					TITLE		
PRIVACY ACT STATEMENT The information requested on this form is required under the provision of 31 U.S.C. 82b and 82c for the purpose of disbursing Federal money. The information requested is to identify the particular creditor and the amounts to be paid. Failure to furnish this information will hinder discharge of the payment obligation.							

OMMPC010

Figure 3-2.—Example of Public Voucher for Purchases and Services Other Than Personal, SF 1034.

## JOURNAL VOUCHER

J.V.NO. 25

Date OCT 23 19XX

REFERENCE	EXPLANATION	DEBIT	CREDIT
DV # 475129	Accounts Receivable--Check issue overdraft Check issue, Sept XX  Check was drawn for \$1500.00 payable to Joe Doe. The payee was due only \$1000.00, which was the amount shown as charged to the appropriation on the disbursement voucher.  DSSN: 2222  Check No.: 00,141,123  Date Issued: 21 Sep 19XX  Original amount reported: \$1000.00  Correct issue amount to be reported: \$1500.00	500.00	500.00
Total		500.00	500.00

Prepared by Mary Chairman Approved by Flossie Brush  
(Signature) (Signature)  
Deputy Disbursing Officer Disbursing Officer  
(Title) (Title)

OMMPC011

Figure 3-3.—Example of Journal Voucher, Optional Form 1017-G.

*Q3. When the OMM files a Signature Card with the disbursing officer, what DD Form is used?*

*Q4. When purchasing postage for official mail, the DO will make Treasury checks payable to what official(s)?*

*Q5. How open should the OMM and comptroller review ADTA balances?*

### **CHARGING POSTAL SERVICES AGAINST AN ADVANCE DEPOSIT TRUST ACCOUNT**

Each time there is a charge to an ADTA, USPS will issue a receipt signed by the appropriate postal representative.

The OMM certifies on the postal receipt that the services described have been received.

Monthly, the OMM will take all receipts for postal services charged to ADTAs to the comptroller.

The comptroller will reduce the running balance on each ADTA by the amount shown on the receipts.

Monthly, the OMM reconciles the ADTA balances with USPS and the comptroller. Any discrepancies will be investigated and resolved.

### **PURCHASE OF STAMPS, STAMPED ENVELOPES, AND STAMPED CARDS**

The OMM will forward the SF 1034 to the comptroller along with the appropriate postal service order form or a letter setting forth the quantity and cost of stamps, stamped envelopes, or stamped cards to be processed.

The comptroller will certify SF 1034 for payment and forward it to the DO.

The disbursing officer will prepare a Treasury check.

The OMM will pick up and deliver the Treasury check to the post office.

The OMM will certify receipt of stamps, stamped envelopes, or stamped cards on the post office receipt and deliver it to the comptroller.

The comptroller will attach the post office receipt to the copy of the SF 1034 to serve as the receiving report.

### **ENVELOPES, LABELS, AND MAILABLE FORMS**

Postage stamps, stamped envelopes, and stamped cards are paid for at the time of purchase. Do not use an ADTA for the purchase of stamps, stamped envelopes, or stamped cards.

The return address portion of envelopes, labels, and mailable forms used with prepaid postage should be prepared as follows:

#### **DEPARTMENT OF THE NAVY**

#### **(SPACE FOR RETURN ADDRESS)**

#### **Official Business**

Envelopes, labels, or other mailable forms with the words, "Penalty for Private Use, \$300" preprinted under the return address may not be used with prepaid postage.

Stocks of remaining envelopes, labels, and mailable forms containing the words, "Penalty for Private Use, \$300" may be used until exhausted. However, the "Penalty for Private Use, \$300" statement must be obliterated before mailing.

*Q6. What wording is printed above the return address portion of envelopes, labels, and mailable forms ?*

*Q7. An ADTA maybe used for purchasing stamped envelopes. (T/F)*

#### **Government Printing Office (GPO) Contractors**

All mailings by GPO contractors are coordinated through the Defense Automated Printing Service. For single job mailings, the GPO contractor will pay the postage cost indicated on the invoice for mail presented to USPS.

*Q8. GPO contractors must coordinate all mailings through what office?*

#### **Repetitive Job Mailing**

The serving Defense Automated Printing Service (DAPS) office will assist the mailings' sponsor in obtaining a permit imprint for mailing. The sponsor will establish an ADTA at the post office where the GPO contractor will deposit the mailings.

## POSTAGE METERING SYSTEMS

Navy commands using postage meters should use them to the fullest extent possible.

Postage meters provide a means of achieving positive accountability in one of two ways. The exact amount of postage paid may be imprinted directly on an envelope or a postage meter tape (fig. 3-4). The meter records the value of the postage paid on official mailings.

Postage meters may not be owned, but must be leased from an authorized manufacturer. A license is required from the USPS for each postage meter leased to a command. The license identifies the civil or military post office where the postage meter is registered and the location and model number of the postage meter.

The postage is initially set on the meter, then reset each time additional postage is required. Only

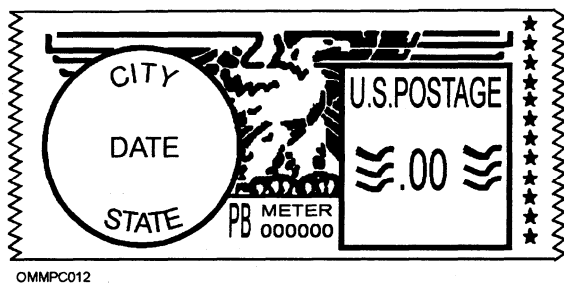


Figure 3-4.—Example of a postage meter tape.

authorized USPS representatives at the post office where the meter is registered, or the custodian of postal effects (COPE) in the case of a Military Post Office (MPO), may reset the meter. All postage used by Navy-operated postage meters is paid by the command.

Your command's postage meters are checked in and out of service daily. Each meter is reset quarterly for the estimated amount of postage to be used on that meter during the quarter. Each time the meter is set or reset, the clerk setting the meter will complete a Receipt for Postage Meter Setting, PS Form 3603 (fig. 3-5). A copy will be filed by the responsible official mail manager.

When the postage meter is used, complete a Daily Record of Meter Register Readings, PS Form 3602-A (fig. 3-6) at the beginning and ending of each day. When the meter is set or reset, add the amounts appearing in the ascending and descending registers before the meter is used. The resulting sum becomes a control number. At the close of business each day, these two registers must be added together. If their sum is not the same as the control number, the meter may have malfunctioned. Before the meter is used again, return the meter to the location from which it is leased. The leasing activity will either repair or replace the meter. If your command has a postage meter, it should also have the necessary directions on file to be followed if the equipment malfunctions.

U.S. Postal Service		Receipt No. 03	
Receipt for Postage Meter Setting		ORIGINAL to Customer (Retain for 1 Year)	
9	Posted to meter setting record <input type="checkbox"/>	DATE	
8	Line 7 verified with Meter <input type="checkbox"/>	CHECK IF THIS IS FIRST SETTING AT THIS OFFICE <input type="checkbox"/>	
7	Descending Register AFTER Setting	UNIT VALUE	MFG. CODE
6	Postage Purchased (Same as 4)	METER NO.	SERIAL NO.
1	Descending Register BEFORE Setting	Received from: Name	
2	Ascending Register BEFORE Setting	Address	
3	Old Control Setting- (1 plus 2)	AMOUNT OF SETTING	
4	Postage Purchased Units Set	TRUST FUND	\$
5	New Control Total (3 plus 4)	CASH OR CHECK	
POSTMASTER, per		Post Office and State	ZIP Code
Thank you			

PS Form 3603, January 1990 PLEASE REVIEW THE REVERSE FOR IMPORTANT INFORMATION ON REGARDING METERED MAIL

Figure 3-5.—Example of a Receipt for Postage Meter Setting, PS Form 3603

The accumulator is a piece of electronic accounting equipment that is connected to the scale. It records official mailings of various commands, tenant activities, departments, divisions, or offices. The operator can print out information gathered in the accumulator for management use in analyzing and controlling official postal costs.

Q10. What PS Form is used to set or reset your postage meter?

Commands desiring to obtain postage metering equipment will request approval from Naval Supply Systems Command (NAVSUP 54) via the chain of command and include the following information:

- Before operating a postage meter, consult OPNAVINST 5218.7, chapter 5, paragraph C1, to determine the correct procedure for applying for a meter license from the USPS.

The meter manufacturer's representative will assist commands served by civil post offices in completing and submitting an Application or Update for a License to Lease and Use Postage Meters, PS Form 360 1-A (fig. 3-7), to the local post office where the meter is inspected, set, and reset.

[illegible]

**Figure 3-6.—Example of a Daily Record of Meter Readings, PS Form 3602-A.**

United States Postal Service  
**Application or Update for a License to Lease and Use Postage Meters**

*(Prepare and submit original signed form to the post office where metered mail will be deposited)*

<input type="checkbox"/> <b>New</b> Post Office Where Metered Mail Will be Deposited (Complete items at right)		<input type="checkbox"/> <b>Update</b> Finance Number (As it appears on license certificate) (Complete items at right)	
State	ZIP Code	Existing License Number (As it appears on license certificate)	

**A. Applicant**

1. Company Name (As it appears on license certificate for update)		2. Applicant Telephone Number ( )	3. Applicant FAX Number ( )
4. Mailing Address (No., street, suite no. or P.O. box no.)		5. Physical Street Address (No., Street, Suite No. - Only if different from item 4 - <b>DO NOT</b> show a post office box number)	
6. City, State, ZIP + 4		7. City, State, ZIP + 4	
8. Applicant Business Tax Identification Number, Employer Identification Number, or Social Security Number		<input type="checkbox"/> Tax ID # <input type="checkbox"/> EIN <input type="checkbox"/> SSN (Check one)	
9. Corporate Business Agent (If applicable)			
10. Dun and Bradstreet Number		11. Federal Agency Code/Cost Code (For US official penalty indicia license)	

**B. Business Profile**

1. Company's Primary Business Function		7. Does Your Business Currently Hold any Other USPS Meter Licenses at This or any Other Post Office? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES List License Number and Finance Number of Licensing Post Office.	
2. Anticipated Annual Metered Postage (For all meters set or licensed at this licensing post office) <input type="checkbox"/> \$1 - \$2,000 <input type="checkbox"/> \$25,001 - \$100,000 <input type="checkbox"/> \$2,001 - \$25,000 <input type="checkbox"/> More than \$100,000		License Number _____ Finance Number _____ License Number _____ Finance Number _____	
3. Annual Percentage of Metered Mail (Must total 100%) Letters _____ % Flats _____ % Parcels _____ %			
4. Does Your Business Anticipate Mailing Metered Mail at Discounted Rates? <input type="checkbox"/> Yes <input type="checkbox"/> No		8. Have You or Your Business Ever Had a Meter License Revoked? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, provide specific details (Including dates and licensing post office.)	
5. Does Your Business Have an Authorization to Use Permit Imprints at This or any Other Post Office? <input type="checkbox"/> Yes <input type="checkbox"/> No			
6. Does Your Business Prepare and/or Mail for Other (Third) Parties? <input type="checkbox"/> Yes <input type="checkbox"/> No			

**C. Certification**

This application must be signed and submitted to the US Postal Service by a corporate officer or a person within the business with the authority to sign checks. I hereby certify that all information furnished on this form is accurate and truthful.	Certifying Individual's Signature		Date
	Printed Name and Title		Telephone Number ( )

**D. Privacy Act Notice**

The collection of this information is authorized by 39 USC 401 and 404. This information will be used to administer postage meter activities. As a routine use, the information may be disclosed to an appropriate government agency, domestic or foreign, for law enforcement purposes; where pertinent, in a legal proceeding to which the US Postal Service is a party or has an interest; to a government agency in order to obtain information relevant to a Postal Service decision concerning employment, security clearances, contracts, licenses, grants, permits, or other benefits; to a government agency upon its request when relevant to its decision concerning employment, security clearances, security or suitability investigations, contracts, licenses, grants, or other benefits; to a congressional office at your request; to an expert, consultant, or other person under contract with the Postal Service to fulfill an agency function; to the Federal Records Center for storage; to the Office of Management and Budget for review of private relief legislation; to an independent certified public accountant during an official audit of Postal Service finances; to a labor organization as required by the National Labor Relations Act; and to disclose to any member of the public the identity and address of user and identity of agent. Completion of this form is voluntary; however, if this information is not provided, you may not receive meter services.

PS Form 3601-A, May 1996

OMMPC015

Figure 3-7.—Example of Application or update for a License to Lease and Use Postage Meters, PS Form 3601-A.



Commands served by an MPO should submit PS Form 3601-A to the gateway postmaster of the MPO where the meter will be set using the guidelines in *DOD Postal Manual*, Vol. 1, chapter 6, part 2.

*Q11. What PS Form is used to apply for a postage meter license?*

### **Payment for Postage Meter Settings**

Payment for postage set on meters is made at the time of setting by cash, check, or withdrawal from an Advanced Deposit Trust Account (ADTA). ADTAs are not available at MPOs.

An ADTA can be established at a civil post office when the monthly dollar amount set on a licensed meter exceeds \$500.

Arrangements can be made, upon payment of a small additional on-site setting fee, for a USPS employee to set and examine postage meters at a customer's place of business.

### **Postage Meter Setting at Military Post Offices (MPOs)**

Postage Meter Settings at MPOs will be accomplished by using the following procedures:

- The OMM prepares a Standard Form 1034 requesting postage meter setting and forwards it to the comptroller.
- The comptroller ensures the SF 1034 is properly prepared, verifies availability of funds, provides the accounting data, certifies the SF 1034 for payment, and forwards it to the disbursing officer (DO).
- The DO will prepare a Treasury check payable to the postal finance officer (PFO) or the accountable postmaster of the MPO where the meter is licensed.
- The OMM will take the postage meter head and the Treasury check to the custodian of postal effects (COPE) of the MPO where the meter is to be set.
- The COPE will set the meter and forward the Treasury check to the PFO or accountable postmaster.
- The OMM will provide the comptroller a copy of the Receipt for Postage Meter Setting (PS Form 3603), which was received from the COPE at the time meter was set.

• The comptroller attaches PS Form 3603 to the copy of the Standard Form 1034 (Public Voucher for Purchases and Services Other Than Personal) to serve as the receiving report.

*Q12 What individual is required to set the postage meter at a military post office?*

### **Postage Meter Setting at Civil Post Offices**

Postage Meter Settings at Civil Post Offices will be accomplished by using the following procedures:

- The OMM will prepare an SF 1034 requesting postage meter setting or establishment/replenishment of meter setting and forward it to the comptroller. The exact amount to be set on the meter or deposited in an ADTA will be specified in the "ARTICLES OR SERVICES" section of the SF 1034.
- The comptroller will forward the SF 1034 to the disbursing officer after certifying it for payment.
- The DO prepares a Treasury check payable to the postmaster of the applicable civil post office.
- The OMM picks up and delivers or mails the Treasury check to the post office. Then the OMM provides the comptroller a copy of PS Form 3603 or a copy of the ADTA receipt received from the post office.
- The comptroller attaches the receipt to the OMM's copy of the SF 1034 to serve as the receiving report.

### **Setting Postage Meters by Telephone**

Official mail centers that use postage meters are authorized to set and reset their meters by the Computerized Remote Postage Meter Resetting System (CMRS).

The benefits of setting postage meters by phone are as follows:

- Simplicity, reduces check processing costs
- Eliminates the need to have funds for postage on back-up meters
- Enables naval activities that use several meters to deposit funds for postage with one check
- Eliminates a trip to the post office

The initial step to "Postage by Phone" is to contact the local manufacturer of the meters currently on hand,

and request a representative meet with the command official mail manager. The representative will arrange for manually set meters to be exchanged for electronic meters that can be remotely set. The local post office will be informed that current meter licenses must remain in effect. Do not apply for a new license. This is not necessary and could cause problems.

Each activity desiring to set postage by phone must have an established "Postage by Phone" account number. For activities with more than one meter, a master account number will be established. This allows an activity to set all meters from one account. The representative from the meter manufacturer will provide USPS the CMRS lockbox address, and obtain the "Postage by Phone" account number for the OMM.

Activities will receive the new electronic meters after all USPS regulations have been satisfied and an account is properly set up. The meter manufacturer informs the OMM when all requirements have been met and then provides the account number.

To prepare for an initial deposit, the OMM determines how much postage will be needed for a three-month period. When the account number is known, an SF 1034 is completed by the OMM and sent to the local paying authority. The initial, and subsequent checks for postage will be made payable to the USPS and sent to the address provided by the meter manufacturer representative. The account number is shown on the SF 1034 and the Treasury check. For funds deposited by regular mail allow 5 business days for funds to be available. For overnight delivery by Express Mail or private carrier, allow 2 business days. Use overnight mail for deposits only when unplanned expenditures have depleted postage funds.

The command OMM will accompany the local meter manufacturer's technician to the post office where the meter(s) is/are licensed, and have the meter(s) checked out of service. The OMM will request the local post office to transfer the balance of postage left on the old style meters to the postage by phone account number. When the postage balance from the old style meter(s) has/have been transferred to the CMRS account, the OMM will set postage on the meter. The meter manufacturer will provide an instruction booklet that lists the step-by-step procedures required to set postage by phone.

Meters should be reset at least quarterly. To reset the meter(s), official mail managers will call the meter

manufacturer using the toll-free number provided by the representative. Enough funds must be in the account to cover the amount of postage that will be set on the meter.

### **Centralized Automated Payment System (CAPS)**

The Defense Finance and Accounting Service (DFAS) has agreed to use the Centralized Automated Payment System (CAPS) as the standard method for paying USPS. The benefits of using this type of electronic system are as follows:

- Reduces the cost of doing business
- Availability of funds for use upon request within 2 business days
- Ability for mailers to determine the balance of and transactions in their individual CAPS account
- Eliminates the necessity of most local trust accounts

### **Refunds**

The command may receive refunds for spoiled postage meter tapes or other unused postal services previously paid. To process the refund, you should:

- Request the post office issue a check or money order payable to the disbursing officer
- Immediately upon receipt, when a cash refund is received, take it to the DO for deposit as a cash collection

*Q13. What should be done with spoiled postage meter tapes?*

### **Requisitioning Postage Metering Equipment**

Department of Defense (DOD) activities use postage meters at various locations overseas and aboard ship when applying postage to DOD official mail.

DOD commands using postage meters must have a postage meter license. The command submits PS Form 3601-A to the serving gateway postmaster to get the license. The command requiring the postage meter will submit a separate PS Form 3601-A for each license it requests.

More than one meter may be assigned to a license at any given location. MPOs are not authorized to issue licenses, but will maintain a supply of PS Forms 3601-A in case they are needed by a local agency. This form is completed by the requesting command and mailed to the appropriate gateway postmaster at the following locations:

- Locations served by Postmaster, New York or Miami:

U.S. Postal Service

Office of Mailing Requirements

Attn: Meter Section

Room 3220, JAF Building

New York, NY 10199

- Locations served by Postmaster, San Francisco:

U.S. Postal Service

Office of Mailing Requirements

Attn: Meter Section

1300 Evans Ave., Room 303

San Francisco, CA 94188

The DOD command using meters is responsible for the operation and use of the meter. The COPE or postal finance officer (PFO) at each location where postage meters are in use keeps a copy of the Application or Update for a License to Lease and Use Postage Meters, PS Form 3601-A, for each official meter. Do not use meters without a valid license issued by the serving gateway postmaster.

Licenses will be canceled when not needed. The equipment should be returned to the location from which it was leased.

*Q14. Postage meters may not be used without a valid license. (T/F)*

### **COST-SAVING MAIL SERVICES**

There are various money-saving methods for dispatching mail. The most economical method is the use of the guard mail system. This system is not a function of USPS and therefore no postage is required. The other mailing methods discussed will also save money because of the bulk mailing to other commands.

### **U.S. GOVERNMENT MESSENGER ENVELOPES (GUARD MAIL)**

The following are general guidelines for the use of guard mail envelopes:

- Cross out or cover the last address appearing on the envelope.
- Include the name of the command where the envelope is to be delivered. Use approved, recognizable short titles in place of a full command name. You can include a particular person's name or a department/staff office code.
- Bundle all guard mail together.
- Use yellow guard mail envelopes. If yellow envelopes are not available, regular blank envelopes are acceptable, if "Guard Mail" is written on the envelope.
- Fill out signature log book at the consolidation center during drop off and pick-up of guard mail.
- Do not send Confidential and/or Secret material in guard mail envelopes. It is prohibited by the *Department of the Navy Information and Personnel Security Program Regulation*, OPNAVINST 5510.1.

### **PERMIT IMPRINT**

Naval activities desiring to make permit imprint mailings will establish a permit imprint account.

Activities desiring to apply for a mailing permit imprint will submit a Mailing Permit Application and Customer Profile, PS Form 3615 (fig. 3-8), along with the appropriate fee, to the civil post office where the permit imprint mailings will be deposited. Permit imprint mailings cannot be made at military post offices.

A permit imprint account Advance Deposit Trust Account (ADTA) is established at each post office where permit imprint mailings are deposited. No minimum dollar amount is needed to open a permit imprint account ADTA; however, sufficient funds must be available to cover the complete cost of the mailing.


Payments for postage or deposits to a permit imprint ADTA will be made at each point designated by the postmaster.

United States Postal Service

# Mailing Permit Application and Customer Profile

(See instructions on reverse)

## A. Applicant Information (Please print or type)

1. Individual or Company Name		2. Applicant's Signature 	3. Date
4. Address (Street and number, apt. or suite no., city, state, and ZIP + 4)		5. Other Names Under Which Company Does Business (If applicable)	
6. Contact Person		7. Federal Agency Cost Code (If applicable) _____	
8. Telephone ( )		9. Will Present Plant Verified Drop Shipment (PVDS)? <input type="checkbox"/> Yes <input type="checkbox"/> No	

## B. Check Type of Permit/Authorization Requested

## For Postal Service Use

	Permit Number	Date Issued	Date Fee Paid	Date Canceled	Sample Approved
1. <input type="checkbox"/> <b>Permit Imprint Authorization (Fee applies)</b> <input type="checkbox"/> First-Class <input type="checkbox"/> Third-Class <input type="checkbox"/> Fourth-Class <input type="checkbox"/> Company Permit					
2. <input type="checkbox"/> <b>Precanceled Stamp or Government Precanceled Stamped Envelope Authorization (No fee)</b>					
<b>Mailer Precanceled Postmark/Preprinted Rate Markings Authorizations (No fee)</b>					
<input type="checkbox"/> <b>Notification to Present Metered Mail in Bulk (No fee)</b>					
Class of Mail <input type="checkbox"/> First <input type="checkbox"/> Third <input type="checkbox"/> Fourth					
3. <input type="checkbox"/> <b>Business Reply Mail (BRM) Authorization (Fee applies)</b>					
a. Post office where BRM will be received					
b. Post office where BRM permit number was issued and annual fee was paid, if applicable					
<input type="checkbox"/> <b>BRM Advance Deposit Account (Fee applies)</b> <input type="checkbox"/> <b>BRMAS Approved</b>					
4. <input type="checkbox"/> <b>Merchandise Return Service (MRS) Authorization (Fee applies)</b>					
a. Type of Application <input type="checkbox"/> Initial <input type="checkbox"/> Reapplication	b. Return Location (See over) <input type="checkbox"/> Single <input type="checkbox"/> Multiple		c. Advance Deposit Account <input type="checkbox"/> Each Location <input type="checkbox"/> Centralized		
d. Permit Applied For <input type="checkbox"/> First-Class/Priority <input type="checkbox"/> Third-Class <input type="checkbox"/> Special Fourth-Class	Parcel <input type="checkbox"/> Post <input type="checkbox"/> Bound Printed Matter <input type="checkbox"/> Library Rate				

PS Form 3615, July 1995

OMMPC016

Figure 3-8.—Example of Mailing Permit Application and Customer Profile, PS Form 3615.

When the amount on deposit is less than the amount required for an entire mailing, an additional deposit will be made before the mailing is dispatched.

Q15. Activities applying for a mailing permit imprint should submit what PS Form?

## BULK MAILING PERMITS

The payment of postage for certain types of official mail may be accomplished by use of a mailing permit. In addition to First-Class Mail requirements, the correct ZIP or ZIP+4 Code will be used. Further requirements are found in the *Domestic Mail Manual*.

A Bulk Permit is best suited for large mailings of First-Class Mail weighing less than 11 ounces. Standard Mail (A) requires calculation of postage by both weight and distance. Use of the Bulk Mail Permit for these two categories requires presorting into ZIP Code zones for determination of cost.

The advantage of using the Bulk Mail Permit is the reduction in handling and processing time for the originator and USPS. This reduction in handling and processing provides a discount on the per-piece cost. Use of the proper permit can result in up to 24 percent savings in the total postage cost.

When Standard Mail (A) is authorized to be sent by permit imprint, you should prepare a PS Form 3602-R (fig. 3-9).

Commands/activities will ensure that the cost of all contractor mailings are reported and included in the quarterly reports.

The command OMM reviews and approves all requests to use mail permits.

The tenant activities' OMM maintains copies of mailing permit documents for 1 year. Mail volume and cost recorded on the documents will be reported quarterly.

*Q16. What PS Form is used for bulk permit imprint mailings?*

Types of permits authorized and their requirements are as follows:

- **First-Class Mail**

1. A minimum of 200 pieces or 50 pounds
2. All pieces must be identical by size and weight

- **Presorted First-Class Mail**

1. A minimum of 500 pieces
2. All pieces are identical by size and weight
3. Pieces must be presorted by ZIP Code before delivery to a U.S. Post Office

- **ZIP and ZIP+4 First-Class Presorted Mail**

All basic requirements for presorted First-Class Mail must bear a correct delivery point barcode for ZIP+4. Further requirements are found in the *Domestic Mail Manual*.

- **Periodicals**

All Periodical publications must be authorized mailing privileges under one of five

qualification categories: general publications, publications of institutions and societies, publications of state departments of agriculture, requester publications, and foreign publications. These publications are subject to the general standards outlined in the *Domestic Mail Manual* (DMM) for each respective category.

Sponsors of periodical mailings will ensure that the cognizant Defense Automated Printing Service (DAPS) office is provided with the appropriate permit number before using a printing and distribution contract. Similarly, DAPS will ensure that all sponsors of periodical mailings are promptly notified concerning any changes to these contracts, especially new vendors.

Commands possessing a periodical permit will:

1. Contact the USPS account representative to determine if any formatting changes are required.
2. Obtain authorization to mail a publication at periodical rates by filing an Application for Periodicals Mailing Privileges (Requester), PS Form 3511 (fig. 3-10), at the post office serving the office of publication.  
  
Pay applicable periodical application fee, original entry fee, and reentry fee as necessary.
4. Pay the postage at the applicable Standard Mail (A) or (B) rate while the application is pending. If the application is approved, a refund of postage paid in excess of the periodical rate is provided.
5. Establish Periodical rated ADTAs at the original entry point and additional entry points.

## **MERCHANDISE RETURN SERVICE (MRS)**

Navy activities desiring to use MRS will obtain an MRS mailing permit. .

To apply for a Merchandise Return Service permit, submit a Mailing Permit Application and Customer Profile, PS Form 3615 (fig. 3-8), to the post office where the MRS will be returned. A fee is charged annually on the date the permit was initially received. In addition to the postage, a per-parcel fee is currently charged for each item returned.



(FRONT)

United States Postal Service			
<b>Application for Periodicals Mailing Privileges (Requester)</b>			
Section A - Completed by Applicant			
1. Title of Publication			
2. Full Name of Publisher			
3. Full Name of Owner			
4. If owned by a firm, give the name of the firm and the name of each member thereof. If owned by a corporation, give the name of each owner or holder of 1 percent or more of the stock.			
5. Location of the Known Office of Publication (Street, City, County, State and ZIP + 4) (Show physical location, not mailing address)			
6. Annual Subscription Price (If none, so state)		7. Frequency of Issue	8. No. Issues per Year
9. Are any of the owners or stockholders interested financially in any business or trade represented by the publication? (Check one) If yes, what is the interest?		10. Number of issues which have been published.	
11. Have any of the persons or concerns which advertise in the publication any interest therein? (Check one) If yes, what is the interest?		12. Is more than one copy of each issue furnished to any one advertiser therein? (Check one) If yes, state the number of copies furnished and the reasons therefor.	
13. Will every issue of the publication contain 24 or more pages?		14. Will any issue of the publication contain more than seventy-five percent (75%) advertising?	
15. Approximate weight per copy.		16. Approximate total weight of a mailing.	
17. I certify that the statements made by me above are correct and complete. Items 1 through 15 have been completed by me. Penalty for false evidence is up to \$500. (Section 1722, 18 USC)			
18. Signature			
19. Title			
20. Telephone Number (include area code)			
21. Date of first mailing under deposits after application was filed.			
22. Amount of Application Fee Paid and Date Paid			
23. Date Records Verified			
24. List and describe publisher's records checked. (Specify exactly what records were reviewed. See DMAR 2216.)			
25. Print Name of Postal Employee to contact if there are any questions regarding the application			
26. Post Office Address			
27. Telephone Number (include area code)			
28. Signature of Postmaster			
PS Form 3511, November 1998			

OMMPC017

(BACK)

Section C - Requestor Data		
Publisher to Complete Columns (A) and (B)		
ITEMS (A)	NUMBER (B)	Postmaster to Complete Column (C)
25. Total number copies printed of the issue accompanying this application	26. Issue Date	27. 19
28. Requests received by the publisher directly from the persons to whom the publication is sent and which are not paid subscription copies.	29. Subscriptions copies paid for or promised to be paid for including those at or below a nominal rate. (One copy for each advertiser)	30. Copies furnished actual advertisements in this issue to prove insertion of advertisements.
31. Copies sent as exchanges with other publications, one copy for another.	32. Copies sent to persons whose requests were submitted by others. (Attach a separate sheet showing: (1) who requested these copies, (2) the purpose for which the copies were sent, (3) whether requests were for specific individuals on a one-on-one basis.)	33. Single copies requested or sold over publisher's counter.
34. Copies sold by newscarriers.	35. Copies purchased by news agents for resale without return privileges	36. Copies consigned to news agents with return privileges.
37. a. Copies consigned to news agents with return privileges.	b. Number returned to publisher (Check box disposition in item 41)	c. Number of copies sold by news agents (a minus b)
38. Copies requested in bulk by other than news agents or newscarriers. (Attach a separate sheet showing: (1) who requested these copies, (2) the purpose for which the copies were sent, (3) and the date (date receipts were)	39. Copies sent in fulfillment of requests received in a manner other than covered above.	40. These subscriptions were obtained in the following manner:
41. TOTAL REQUESTED CIRCULATION	42. Requests received more than 3 years ago and which have not been expressly renewed.	43. Requests indicated by a premium offer or by receipt of material consideration.
44. Total sample copies distributed (in the mails or otherwise)	45. Describe the disposition of the remaining copies here and enter amounts remaining in column (B)	
PS Form 3511, November 1998 (Reverse)		

Figure 3-10.—Example of Application for Periodicals Mailing Privileges (Requester). PS Form 3511.

Merchandise Return Service permit holders are charged postage and fees on First-Class, priority, Standard Mail (A), or Standard Mail (B) received from personnel they have authorized use of their MRS permit. Payment for MRS will be made by check or through an MRS ADTA.

## **REPLY MAIL SERVICES**

Reply mail service authorizes individuals and organizations to send First-Class Mail back to the permit holder. The postage and fees are paid by the permit holder.

### **Business Reply Mail**

Business Reply Mail (BRM) requires specific information be preprinted on the return envelope or post card, along with barcoding.

To apply for a BRM permit, submit PS Form 3615 to the post office where the BRMs are returned along with the annual BRM permit and renewal fee.

BRM enables activities to receive First-Class Mail back from addressees on a distribution list by paying postage only on the mail that is returned to them.

Payment for BRM is made in cash through a regular postage-due account or a BRM ADTA. A BRM ADTA reduces the BRM fee collected. However, it requires payment of an annual accounting fee.

Business Reply and Prepaid Reply Mail are methods used to provide prepaid postage to activities or individuals when the return of requested information is required from a non-government agency or private individual not required by law to reply. The use of Business Reply and Prepaid Reply Mail have the following restrictions or requirements:

- Government agencies are expected to pay the postage when responding to another government agency.
- Individuals or organizations that are required by law to respond will pay the return postage themselves.
- Business Reply Mail (BRM) cannot be used by commands with an FPO mailing address.
- Evaluate each use of Business Reply Mail or Prepaid Reply Mail to estimate the total cost.
- BRM is charged at the First-Class postage rate plus a handling fee per piece returned to the originator.

- Charge Prepaid Reply Mail at the First-Class postage rate. The total cost is determined by the number of pieces sent.

Procedures for initiating BRM printing are as follows:

- Determine if you have a legal use for BRM.
- Estimate the percentage of return expected. If the estimated return percentage exceeds 50 percent, you should not use BRM.
- Forward request to the official mail manager (OMM) for approval and barcoding of a sample envelope or post card.
- Present your sample, along with the provided barcoding information, to the command or company who will do the printing.
- A permit will be filed at the USPS branch office servicing the activity holding the permit for using BRM.

Before distributing BRM, commands should perform the following steps:

- Coordinate with their USPS account representative to ensure BRM is formatted correctly.
- Evaluate BRM requirements to determine if it would be more cost effective to use premetered postage or postage stamps.
- Qualify BRM for Business Reply Mail Accounting System (BRMAS) whenever possible to take advantage of the lower surcharge.

Formal application for Navy activities to use the BRM permit is made at each civil post office where mailings are to be deposited, or make the formal application to the Director, Office of Mail Classification, Rates and Classifications, Washington, DC 20260. The application can be made by letter or memorandum. A separate application is required for each class of permit imprint mailing that will be made. As a minimum, the application will identify the post office where the mailings are to be deposited and include information as to the type of class and/or service desired and the name and telephone number of the person responsible for mailings under the permit.

Arrange all pieces with the address side facing the same direction. Permit mailings sent at one of the presort discount rates will be sorted by ZIP Code and



bundled, placed in trays, or sacked and labeled according to USPS requirements.

Permit mailings are taken to the drop office, branch, or station designated by the postmaster concerned. Permit mail will be accepted and verified by an authorized USPS employee. It may not be deposited in a mail collection (drop) box.

### **Prepaid Reply Mail**

Prepaid Reply Mail requires preprinting of specific information on return envelopes or post cards. Pre-barcoding is not required. Procedures for initiating Prepaid Reply Mail printing are as follows:

- Forward a sample envelope or post card to the OMM for approval
- Present your sample to the command or company who will do the printing
- Make arrangements with the OMM to have the correct postage affixed to the prepaid envelopes or post cards before mailing. The meter site will perform this function for you.
- Prepaid postage should only be used for post cards, or when material being returned will be of a constant weight.

A single permit will be maintained by the consolidated mail facility or another metering activity

for all commands serviced. The plus 4 portion of the barcoded ZIP Code will be identical for all activities at a single installation.

### **POSTAGE DUE**

Navy activities will accept postage due mail only from units operating in a hostile area by following OPNAVINST 5218.7, chapter 4, paragraph C.

Postage due mail is paid in cash before delivery. Postage due may be paid through the establishment of a postage due ADTA if postage due collections amount to \$10 or more every 60 days.

*Q17. A postage due ADTA may be set up if postage due collections are equal to or greater than what dollar amount every 60 days?*

### **SUMMARY**

In this chapter we defined appropriated, nonappropriated, and Navy Working Capital Funds. We also discussed the accountable system for prepaid postage and the use of ADTAs. We talked about the use of the postage metering system, the use of meters, forms, mailing permits, and other cost-saving postal services.

# Answers to Embedded Questions

## Chapter 3

- A1. *U.S. Congress.*
- A2. *Official/Operational Mailings.*
- A3. *DD Form 577.*
- A4. *Postmaster of applicable local post office, Postal Finance Officer, San Diego, or Accountable Postmaster, New York.*
- A5. *Monthly.*
- A6. *Department of the Navy.*
- A7. *False.*
- A8. *Defense Automated Printing Service.*
- A9. *True.*
- A10. *PS Form 3603.*
- A11. *PS Form 3601-A.*
- A12. *COPE.*
- A13. *Request a refund check or money order be issued payable to the disbursing officer.*
- A14. *True.*
- A15. *PS Form 3615.*
- A16. *PS Form 3602-R.*
- A17. *\$10.*